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Steven Freiberg

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EXAMINER

VANDERHORST, MARIA VICTORIA

ART UNIT

PAPER NUMBER

3688

NOTIFICATION DATE

DELIVERY MODE

06/10/2009

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

klpatent@kramerlevin.com

Office Action Summary	Application No. 10/824,935	Applicant(s) FREIBERG, STEVEN	
	Examiner M. VICTORIA VANDERHORST	Art Unit 3688	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 February 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-43, 46-48, 50 and 53-69 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-43, 46-48, 50 and 53-69 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
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| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Response to Amendment

This communication is in response to the amendment filed on 02/23/2009. Claims 44-45, 49, and 51-52 has been cancelled. Claims 1, 12, 14, 17-18, 23, 33, 46-48, 50 and 64 have been amended. Claims 1-43, 46-48, 50 and 53-69 are currently pending and have been examined. Claims 1-43, 46-48, 50 and 53-69 have been rejected.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requirements of this title.

2. Claims 1-32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As to claims 1 and 18, they are rejected under 35 U.S.C. 101 because the claimed invention is directed to nonstatutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1 and 18

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fail to meet the above requirements because the claims fail to tie in another statutory class of invention.

As to claims 2-17 and 19-32, they depend from claim 1, 18 and do not cure the deficiencies set forth above. Therefore, claim 2-17 and 19-32 are also rejected for failing to tie in another statutory class of invention.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-13, 17-30, 33-43, and 48, 50, 53-62 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. PG Pub 2003/0078864 (Hardesty) in view of U.S. Patent 5,774,870 (Storey).

As to claims 1, 3, 33, 35, Hardesty discloses a computerized method for rewarding use of a payment product by the payment product holder (Hardesty's system discloses a rebate program comprising an authorized payment method, paragraph 0004), the method comprising the steps of:

(a) issuing a payment product from an issuer to a holder, said payment product representing funds available to said holder, said payment product providing means of payment for at least one purchase transaction by said holder (abstract),

(b) comparing said at least one purchase transaction using said payment product against pre-defined rewards eligibility criteria of said issuer to determine whether said at least one purchase transaction using said payment product is a qualifying purchase transaction in compliance with said pre-defined rewards eligibility criteria (paragraphs 0004, 0030, 0064, 0073, Fig. 4, Claims 1 and 8 of Hardesty's reference),

(c) calculating and storing a value redeemable by said holder for at least one benefit based on said at least one purchase transaction when said at least one purchase transaction using said payment product is a qualifying purchase transaction, (paragraphs 0002 , 0004, 0023 and 0024),

(d) when said qualifying purchase transaction includes the purchase of at least one travel ticket ("travel card", Claims 1, 20-22),

e) providing access to said stored value and said stored additional value to said holder to facilitate redemption of at least a part of at least one of said value and said additional value for said at least one benefit (In Hardesty's system the consumer gets the specific benefit of accumulate money (a deposit) for each transaction when using the card for purchasing goods and services. The additional value for the benefit is reached when the money gains on tax deferred basis, Claims 1, 8, 11, and 12 of Hardesty's reference).

wherein at least one of steps (b), (c) and (d) is effected using a data processor (Hardesty teaches, "...Referring to FIG. 3, there is shown a general overview of the financial transaction processing, tracking, reporting, accounting and management systems that comprise the present invention. As FIG. 3 shows, input data 101 is

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harvested from sources including consumers, financial institutions such as issuing and acquiring processors, benefit sponsors or the benefit sponsors' designated data sources and delivered to the host processing system 150. The host processing system 150 then parses the input data into its various component parts for delivery into the appropriate data bases and warehouses that reside within the system 102 for further processing and storage...", paragraph 0067).

But Hardesty does not disclose determining a travel distance associated with said at least one travel ticket .

However, Storey discloses determining a travel distance associated with said at least one travel ticket (Storey discloses an on-line frequency award program, "Enrolled users may browse through an award catalog and electronically redeem an amount of awarded points towards an award", abstract,

Further, Storey teaches, "...Frequency programs have been developed by the travel industry to promote customer loyalty. An example of such a program is a "frequent flyer" program. According to such a program, when a traveler books a flight, a certain amount of "mileage points" is calculated by a formula using the distance of the destination as a parameter. However, the millage points are not awarded until the traveler actually takes the flight.

When a traveler has accumulated a sufficient number of millage points, he may redeem these points for an award chosen from a specific list of awards specified by the program. Thus, for example, the traveler may redeem the points for a free flight ticket or

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a free rental car. In order to redeem the accumulated points, the traveler generally needs to request a certificate, and use the issued certificate as payment for the free travel “, Col. 1:11-55, Claim 17 of Storey’s reference.)

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to incorporate Storey’s teaching into the system of Hardesty in order to provide a full integrated award-program based on mileage, this program would increase consumer loyalty.

Hardesty does not disclose providing an additional value redeemable by said holder for said at least one benefit based on said determined travel distance.

However, official notice has been taking that is old and well known in the art of implementing loyalty programs that some companies (airlines, credit cards, etc) offer additional rewards or benefits related with travel distance such as “frequent buyers” programs. For example, **Shel Horowitz. “www.frugalmarketing.com”. 20020413. page 1 of 2.** Shel’s article dated from February 1998 refers to a local store that incentives loyal customers with two frequent miles for every dollar spent when they use MasterCard.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention of Hardesty, to incorporate the frequent flyer program with any other program that provide additional miles (value) such as a frequent buyer program. One would have been attracted to make business with that company in order to accumulate miles or points and redeem them in a flexible and convenient way.

As to claims 2 and 34, Hardesty and Storey disclose a method and a system according to claim 1 and 33 above, and Hardesty further discloses wherein said payment product is at least one of a credit card, a debit card, a bank card, a smart card, and an automated teller machine card (claim 22 of Hardesty's reference_).

As to claims 4, 6, 36 and 38, Hardesty and Storey disclose a method and a system according to claims 1 and 33 above, and Storey further discloses comprising the step of presenting said at least one benefit for selection by said holder in a catalog including at least one of goods and services and good and services that are travel-related ("award catalog", Col. 1:55-65, Col. 2:15-25, Col. 5:36-51 of Storey's reference; "travel card", Claims 1, 20-22 of Hardesty's reference_).

As to claims 5 and 37 , Hardesty and Storey disclose a method and a system according to claim 4 and 36 above, and Hardesty further discloses wherein said at least one benefit is selected from a provider of at least one of goods and services different (Hardesty's system has benefits that are associated with non-spending behavior, paragraph 0030_) from a provider of at least one of goods and services associated with said qualifying purchase transaction (Hardesty's system has benefits that are associated with qualifying purchases, paragraph 0030_).

As to claims 7, 8, 39 and 40, Hardesty and Storey disclose a method and a system according to claims 6 and 38 above, and Storey further discloses wherein said

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at least one benefit is at least one of free and discounted travel on a carrier or destination of said holder's choosing ("the traveler may redeem the points for a free flight ticket or a free rental car", Col. 1: 20-28₁).

As to claims 9 and 41, Hardesty and Storey disclose a method and a system according to claim 6 and 38 above. Hardesty does not disclose wherein said at least one benefit is at least one of free and discounted lodging of said holder's choosing.

However, Official Notice has been taken that is old and well known in the art of redemption of points or mileage in an award program to redeem the miles of points for an award chosen from an specific range of awards for the consumer qualifying behavior such as hotels, trips or products from a catalog.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention to combine the teaching of Hardesty and Storey with the common practice of redeem points or mileage for a discount or free loading or hotel. One would be motivated to provide this kind of redemption alternative in order to increase customer satisfaction and loyalty.

As to claims 10, 11, 42 and 43, Hardesty and Storey disclose a method and a system according to claim 4 and 36 above, and Hardesty further discloses wherein said catalog is provided over a global computer network wherein said global computer network is the Internet. (Claim 15 of Hardesty's reference, paragraph 0007₁).

As to claims 12, 13, Hardesty and Storey disclose a method and a system according to claim 1 above, and Hardesty further discloses the step of redeeming said at least part of at least one of said value and additional value is affected by the issuer (Hardesty's system provides additional value, his system has benefits that are associated with non-spending behavior, such as saving for retirement, "...The present invention will permit participating consumers save for retirement or other permitted expenses by directing a portion of every qualifying purchase to a private, tax-deferred investment account...", paragraph 0030.

and also benefits that are associated with qualifying purchases like rebates, abstract)

But Hardesty does not discloses the step of fulfilling a request by said holder .

However, Storey discloses the step of fulfilling a request (Storey's system discloses, "enrolled users may browse through an award catalog and electronically redeem an amount of awarded points towards an award. The program then electronically places an award redeeming order with the fulfillment house and updates the user's award account...", abstract, Fig. 4.

Further, Storey's system discloses that his system provides an online award redeem form to fulfill the award, Claim 17 of Storey's reference.

Next, Storey teaches, "...The proper amount of points is then subtracted from the user's account and an adjustment is made in the frequency database, 520. A link is then established to the fulfillment house or directly to the product manufacturer and an award order is communicated, 530...", Col. 10:1-6 .

Moreover, Storey's system discloses the award program having an award value for redemption equal or less than the award ceiling (partial redemption), claim 21 of Storey's reference 1.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to incorporate Storey's teaching into the system of Hardesty. One would have been motivated to provide fulfillment capabilities in order to facilitate prompt completion of the redemption process.

As to claims 17, and 48, Hardesty and Storey disclose a method and a system according to claims 12 and 33 above, but Hardesty does not disclose wherein said value and said additional value are accruable in an accrued rewards value balance and wherein said step of fulfilling a request by said holder to redeem said at least a part of at least one of said value and said additional value for said at least one benefit is effected when said accrued rewards value balance is at least one of equal to and greater than a pre-selected threshold amount associated with said at least one benefit.

However, Storey discloses wherein said value and said additional value are accruable in an accrued rewards value balance (in Storey's system there is a frequent database to store accounting information such as balances for each user of the incentive award program, Claim 1 of Storey's reference), and wherein said step of fulfilling a request by said holder to redeem said at least a part of at least one of said value and said additional value for said at least one benefit is effected when said accrued rewards value balance is at least one of equal to and greater than a pre-

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selected threshold amount associated with said at least one benefit (Storey's system contains an "award ceiling", claims 8 and 9 of Storey's reference).

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to incorporate Storey's teaching into the system of Hardesty. One would have been motivated to provide accounting functionality for the rewards process (accruable rewards and partially redemption) in order to facilitate the redemption process to the customer.

As to claims 18, 22, 50 and 54, Hardesty disclose a method and a system for effecting a rewards program based on use of a payment product (Hardesty's system discloses a rebate program comprising an authorized payment method, paragraph 0004_), the method comprising the steps of:

(a) retrieving payment product data associated with a payment product issued by an issuer to a holder, said payment product data including a holder identification and an accrued rewards value balance (Hardesty teaches, "...participating individuals apply and are approved and are issued a card with an identifiable account number... the rebate is calculated and transferred to the participant's account...", Abstract),

(b) retrieving transaction data associated with at least one purchase transaction using said payment product (paragraphs 0004, 0030, 0064, 0073, Fig. 4, Claims 1 and 8 of Hardesty's reference_),

(c) comparing said transaction data against pre-defined rewards eligible criteria to determine whether said at least one purchase transaction using said payment product is a qualifying purchase transaction in compliance with pre-defined rewards eligibility criteria (paragraphs 0002 , 0004),

(d) calculating a value redeemable by said holder for at least one benefit based on said at least one purchase transaction when said at least one purchase transaction using said payment product is a qualifying purchase transaction (paragraphs 0023 and 0024),

(e) retrieving travel-related purchase data associated with travel-related purchases included in said qualifying purchase transaction, (“...wherein said authorized payment method utilized by the participating consumer is selected from the group consisting of credit cards, on-line debit cards, off-line debit cards, travel and entertainment cards,...”, Claim 22 of Hardesty’s reference).

(f) when said qualifying purchase transaction includes the purchase of at least one travel ticket (Hardesty teaches travel purchased data related to “travel card”, Claims 1, 20-22),

(f) updating said accrued rewards value balance based on at least one of said calculated value and said calculated additional value (In Hardesty’s system the consumer gets the specific benefit of accumulate money (a deposit) for each transaction when using the card for purchasing goods and services. The additional value for the

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benefit is reached when the money gains on tax deferred basis , Claims 1, 8, 11, and 12 of Hardesty's reference_),

(h) providing said holder with access to said accrued rewards value balance to facilitate redemption of at least a part of said accrued rewards value balance for said at least one benefit (In Hardesty's system the consumer gets the specific benefit of accumulate money (a deposit) for each transaction when using the card for purchasing goods and services. The additional value for the benefit is when the money gains on tax deferred basis , Claims 1, 8, 11, and 12 of Hardesty's reference).

wherein at least one of steps (a), (b), (c), (d), (e), (f) and (g) is effected using a data processor (Hardesty teaches, "...Referring to FIG. 3, there is shown a general overview of the financial transaction processing, tracking, reporting, accounting and management systems that comprise the present invention. As FIG. 3 shows, input data 101 is harvested from sources including consumers, financial institutions such as issuing and acquiring processors, benefit sponsors or the benefit sponsors' designated data sources and delivered to the host processing system 150. The host processing system 150 then parses the input data into its various component parts for delivery into the appropriate data bases and warehouses that reside within the system 102 for further processing and storage...", paragraph 0067).

But Hardesty does not disclose determining from said travel-related purchase data a travel distance associated with said at least one travel ticket and calculating an additional value redeemable by said holder for said at least one benefit based on said determined travel distance,

However, Storey discloses determining a travel distance associated with said at least one travel ticket (Storey discloses an on-line frequency award program, “Enrolled users may browse through an award catalog and electronically redeem an amount of awarded points towards an award”, abstract, Col. 1:11-55, Claim 17 of Storey’s reference).

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to incorporate Storey’s teaching into the system of Hardesty in order to provide a full integrated award-program based on mileage, this program would increase consumer loyalty.

Hardesty does not disclose calculating an additional value redeemable by said holder for said at least one benefit based on said determined travel distance.

However, official notice has been taking that is old and well known in the art of implementing loyalty programs that some companies (airlines, credit cards, etc) offer additional rewards or benefits related with travel distance such as “frequent buyers” programs. For example, **Shel Horowitz. “www.frugalmarketing.com”. 20020413. page 1 of 2.** Shel’s article dated from February 1998 refers to a local store that incentives loyal customers with two frequent miles for every dollar spent when they use MasterCard.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention of Hardesty, to incorporate the frequent flyer program with any other program that provides additional miles (value) such as a frequent buyer program.

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One would have been attracted to make business with that company in order to accumulate miles or points and redeem them in a flexible and convenient way.

Hardesty does not disclose (g) comparing said accrued rewards value balance against a pre-selected threshold amount associated with said at least one benefit to ascertain whether said accrued rewards value balance is sufficient to entitle said holder to receive said at least one benefit.

However, Storey discloses (g) comparing said accrued rewards value balance (in Storey's system there is a frequent database to store to store accounting information such as balances for each user of the incentive award program, Claim 1 of Storey's reference) against a pre-selected threshold amount associated with said at least one benefit to ascertain whether said accrued rewards value balance is sufficient to entitle said holder to receive said at least one benefit (Storey's system contains an "award ceiling", claims 8 and 9 of Storey's reference).

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to incorporate Storey's teaching into the system of Hardesty in order to ensure accurate and predictable results when a reward is redeemed.

As to claims 19 , and 20, Hardesty and Storey disclose a method and a system according to claim 18 above, Hardesty's system teaches providing additional value (his system has benefits that are associated with non-spending behavior, and also benefits that are associated with qualifying purchases, paragraph 0030).

But Hardesty does not disclose comprising the steps of receiving a request by said holder to redeem at least a part of said accrued rewards value balance for said at least one benefit, deducting any redeemed value and additional value from said accrued rewards value balance, and fulfilling said request.

However, Storey discloses comprising the steps of receiving a request by said holder to redeem at least a part of said accrued rewards value balance for said at least one benefit, deducting any redeemed value and additional value from said accrued rewards value balance, and fulfilling said request (Storey's system discloses, "enrolled users may browse through an award catalog and electronically redeem an amount of awarded points towards an award. The program then electronically places an award redeeming order with the fulfillment house and updates the user's award account...", abstract, Fig. 4.

Further, Storey's system discloses that his system provides an online award redeem form to fulfill the award, Claim 17 of Storey's reference.

Moreover, Storey's system discloses the award program having an award value for redemption equal or less than the award ceiling (partial redemption), claim 21 of Storey's reference).

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to incorporate Storey's teaching into the system of Hardesty in order to ensure accurate and predictable results when a reward is redeemed.

As to claims 21 and 53, Hardesty and Storey disclose a method and a system according to claims 18 and 50 above, and Hardesty further discloses wherein said payment product is at least one of a credit card, a debit card, a bank card, a smart card, and an automated teller machine card (claim 22 of Hardesty's reference_).

As to claims 23, 25, 55, and 57, Hardesty and Storey disclose a method and a system according to claims 18 and 50 above, and Hardesty further discloses presenting said at least one benefit for selection by said holder in a catalog including at least one of goods and services (Claims 1, 20-22 of Hardesty's reference_).

As to claims 24, and 56, Hardesty and Storey disclose a method and a system according to claims 23 and 55 above, and Hardesty further discloses wherein said at least one benefit is selected from a provider of at least one of goods and services different (Hardesty's system has benefits that are associated with non-spending behavior, paragraph 0030_) from a provider of at least one of goods and services associated with said qualifying purchase transaction (Hardesty's system has benefits that are associated with qualifying purchases, paragraph 0030_).

As to claims 26, 27, 58 and 59, Hardesty and Storey disclose a method and a system according to claims 25 and 57 above, and Storey further discloses wherein said at least one benefit is at least one of free and discounted travel on a carrier of said

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holder's choosing ("the traveler may redeem the points for a free flight ticket or a free rental car", Col. 1: 20-28).

As to claims 28 and 60, Hardesty and Storey disclose a method and a system according to claims 25 and 57 above. Hardesty does not disclose wherein said at least one benefit is at least one of free and discounted lodging of said holder's choosing.

However, Official Notice has been taken that is old and well known in the art of redemption of points or mileage in an award program to redeem the miles of points for an award chosen from an specific range of awards for the consumer qualifying behavior such as hotels, trips or products from a catalog.

Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention to combine the teaching of Hardesty and Storey with the common practice of redeem points or mileage for a discount or free loading or hotel. One would be motivated to provide this kind of redemption alternative in order to enhance customer satisfaction.

As to claims 29, 30, 61 and 62, Hardesty and Storey disclose a method and a system according to claim 23 and 55 above, and Hardesty further discloses wherein said catalog is provided over a global computer network wherein said global computer network is the Internet (Claim 15 of Hardesty's reference, paragraph 0007_).

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5. Claims 14-16, 31, 32, 46, 47, 63 and 64 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. PG Pub 2003/0078864 Hardesty in view of U.S. Patent 5,774,870 Storey in further view of webpage "PNCBANK The Thinking Behind The Money", 20021216, page 1 of 3,

(http://www.pncbank.com/smbiz/products/merchant_service/0,3810,741,00.html)

As to claim 14, 15, 16, 46 and 47, Hardesty and Storey disclose a method and a system according to claim 1 and 33 above, Storey further discloses qualifying purchase transaction, wherein travel distance is associated with said at least one travel ticket (**Col. 1:11-55**).

But Hardesty does not disclose obtaining Level 3 Data associated with the purchase transaction.

However, the website "PNCBANK The Thinking Behind The Money" does teach "**PNC Merchant Services** offers comprehensive supplier services through its purchasing card products, which include terminal and PC-based applications supporting level I and II processing. Level III purchasing card line item detail is also supported on certain PC software applications", (Page 1).

Therefore, a predictable result of Hardesty would have been to incorporate Level III purchasing card line item detail from PNC bank which contains detail information on origination city or airport code and destination city or airport code and additional legs of

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the trip (i.e. the consumer booked an Airpass with several legs), with the purchase transaction data of Hardesty's system to calculate the distance.¹

As to claims 31 and 32, 63 and 64, Hardesty and Storey disclose a method and a system according to claims 18 and 50 above, Storey further discloses qualifying purchase transaction, wherein is travel-related purchase data (**Col. 1:11-55**).

But Hardesty does not disclose obtaining Level 3 Data associated with the purchase transaction.

However, the website "PNCBANK The Thinking Behind The Money" does teach "**PNC Merchant Services** offers comprehensive supplier services through its purchasing card products, which include terminal and PC-based applications supporting level I and II processing. Level III purchasing card line item detail is also supported on certain PC software applications", (Page 1).

Therefore, a predictable result of Hardesty would have been to incorporate Level III purchasing card line item detail (called enhanced data) from PNC bank which contains detail information on origination city or airport code and destination city or

¹ Ex parte Smith, 83 USPQ2d 1509 (Bd. Pat. App. & Int. 2007); Claims in application for patent on pocket insert for book are obvious in view of combination of two prior art patents, since claims are combinations that merely unite old elements with no change in their respective functions, and which yield predictable results, since neither applicant's specification nor her arguments present any evidence that modifications necessary to effect combinations are uniquely challenging or difficult for person of ordinary skill in art, and since claimed improvement is no more than simple substitution of one known element for another, or mere application of known technique to piece of prior art ready for improvement. KSR International Co. v. Teleflex Inc., 82 USPQ2d 1385 (U.S. 2007);

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airport code and additional legs of the trip (i.e. the consumer booked an Airpass with several legs), with the purchase transaction data of Hardesty's system.²

Response to Arguments

6. The objections of the claims 1, 17, 18, 33, 49 and 50 have been withdrawn because the applicant has amended the claim.

7. The rejection of the claims 1, 17, 18, 33, 49 and 50 under 35 U.S.C 112, second paragraph have been withdrawn because the applicant has amended the claim.

8. The rejection of the claims 33-64 under 35 U.S.C 101 have been withdrawn because the applicant has amended the claim.

9. The rejection of the claims 1-32 under 35 U.S.C 101 have been maintained. The Applicant's arguments regarding rejections under 35 U.S.C 101 have been fully considered but they are not persuasive. To overcome the rejection of claims 1-32 the applicant is encouraged to add in the body of the claims in one or more of the steps that the step (s) is (are) performed by computer. The Examiner recognizes that Applicant amended claims 1 and 18, however, the Examiner suggests to change "...is affected using" by "...is performed by".

² Ex parte Smith, 83 USPQ2d 1509 (Bd. Pat. App. & Int. 2007); Claims in application for patent on pocket insert for book are obvious in view of combination of two prior art patents, since claims are combinations that merely unite old elements with no change in their respective functions, and which yield predictable results, since neither applicant's specification nor her arguments present any evidence that modifications necessary to effect combinations are uniquely challenging or difficult for person of ordinary skill in art, and since claimed improvement is no more than simple substitution of one known element for another, or mere application of known technique to piece of prior art ready for improvement. KSR International Co. v. Teleflex Inc., 82 USPQ2d 1385 (U.S. 2007);

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10. Applicant argues "...the Hardesty published application, the principal reference cited by the Examiner, is not at all concerned with, and, accordingly, nowhere describes, teaches or suggests, rewarding the holder of a credit card or the like based not only on qualifying purchases but on miles traveled in connection with travel ticket or other travel pass purchases...". The Examiner respectfully disagrees with the argument from the Applicants because, Hardesty discloses a financial transaction system that establishes an investment account as a reward. This investment account accumulates income on tax deferred basis depending on the qualifying activities from the consumer when he or she purchases goods or services, (claim 1 of Hardesty). Further, Hardesty discloses that one of the qualifying payment methods is a travel and entertainment card (claim 22 of Hardesty). The Examiner notes that It is inherent that a travel and entertainment card can be used to buy services such as a travel ticket or a travel pass. Furthermore, Storey discloses how frequent flyer programs can accumulate miles (Col. 1:11-55, claim 17 of Storey's reference). Hardesty and Storey combined show obviousness, because it would have been obvious to one of ordinary skill in the art, at the time of the invention, to incorporate Storey's teaching about miles rewarded per frequent flyer programs into the system of Hardesty, in order to reward holders of credit cards when they purchase a travel ticket.

11. Applicant argues "...Applicant's credit card rewards program is concerned with building loyalty to the card and not to the providers of goods/services that might happen to be redeemed as a reward based on the card holder's preferences...". The Examiner

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disagrees with the argument from the Applicants because the user receives rewards (incentives/points) for using the card regardless of the merchant he/she buys from (paragraphs 0004, 0030, 0064, 0073, Fig. 4, Claims 1 and 8 of Hardesty's reference).

Conclusion

12. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Point of contact

Any inquiry concerning this communication or earlier communications from the examiner should be directed to M. VICTORIA VANDERHORST whose telephone number is (571)270-3604. The examiner can normally be reached on regular.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Myhre can be reached on 571 272 6722. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. V./

Examiner, Art Unit 3688

/Raquel Alvarez/

Primary Examiner, Art Unit 3688